

**MINUTES
of the
FIRST MEETING
of the
JOBS COUNCIL**

**June 9, 2015
Room 322, State Capitol
Santa Fe**

The first meeting of the Jobs Council (council) was called to order by Senator Mary Kay Papen, co-chair, on June 9, 2015 at 10:04 a.m. in Room 322 of the State Capitol.

Present

Sen. Mary Kay Papen, Co-Chair
Rep. Don L. Tripp, Co-Chair
Vicente Alvarado
Dale Armstrong
Terry Brunner
Jason Espinoza
Rep. Roberto "Bobby" J. Gonzales
Sen. Stuart Ingle
Rep. Tim D. Lewis
Rep. Sarah Maestas Barnes
Sen. Michael Padilla
Alex O. Romero
Sen. Mimi Stewart
Sen. Pat Woods

Advisory Members

Sen. Carlos R. Cisneros
Rep. Stephanie Garcia Richard
Rep. Bealquin Bill Gomez
Rep. Larry A. Larrañaga
Rep. Bill McCamley
Rep. Debbie A. Rodella
Rep. Patricia Roybal Caballero
Sen. William P. Soules

Guest Legislator

Sen. Bill B. O'Neill

Guest Member

Barbara Brazil, Deputy Secretary, Economic Development Department (EDD)

Absent

Sec. Celina C. Bussey
Rep. W. Ken Martinez
Sen. George K. Munoz
Sen. John C. Ryan
Sen. Michael S. Sanchez

Rep. David E. Adkins
Rep. Cathrynn N. Brown
Sen. William F. Burt
Rep. Yvette Herrell
Rep. Conrad James
Sen. Howie C. Morales
Sen. Steven P. Neville
Rep. Monica Youngblood

Staff

Tessa Ryan, Staff Attorney, Legislative Council Service (LCS)
Monica Ewing, Staff Attorney, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file.

Tuesday, June 9

Senator Papen welcomed the council. Representative Tripp acknowledged the council's successes during the previous two years. He highlighted legislation that the council unanimously approved during the 2014 interim, including an increase in funding for Local Economic Development Act projects.

Review of the Council's Process and Findings

Mark Lautman, lead program consultant to the council, reviewed the council's work during the 2013 and 2014 interims. He highlighted the overarching council goal of developing a plan and legislation to help the state return to its pre-recession employment levels by 2024. At its initial meetings in 2013, the council decided that it would use economic-base jobs — those connected to services or products that are sold out of state — as the primary job-creation metric.

Mr. Lautman said that beginning in 2014, public members and executive branch representatives joined the council because of the importance for the council's proposals to have broad support.

Referring to the "2013-2014 NM Job Creation Assessment Matrix" in his presentation materials, Mr. Lautman explained that the job-creation estimates developed in 2013 incorporate changes in population, unemployment levels and attrition. Considering those factors, the council determined that approximately 160,000 economic-base jobs would need to be created over the next 10 years in the state. The council and representatives from 13 employment sectors deliberated on the numbers of jobs that could be created within each sector, and those deliberations revealed that 162,000 jobs could be created over 10 years. Participants also considered factor-of-production gaps that inhibit the creation of economic-base jobs, and they identified the three biggest gaps for each employment sector.

During the 2014 interim, 16 deliberative sessions like those of the 2013 council were conducted in counties throughout the state. Representatives from five of the seven economic regions participated. In those sessions, it was estimated that fewer jobs would need to be created to return the state to full employment than had been estimated in the state-level deliberations. Mr. Lautman noted that a 2015 interim goal would be to engage the southeast and southwest

councils of governments, which have not yet participated in the deliberative process.

The council's 2014 work included the development of an online dashboard that shows the estimates arrived at through the council's and the local-level deliberations. Work on the dashboard is still in progress. Mr. Lautman said that when it is complete, and if the council wishes, local administrators would be able to modify regional estimates and data. The information on the dashboard would be accessible to any member of the public.

Steve Howe, consultant to the council, gave an overview of the dashboard using a live projection of the web site. He noted that the web site includes: a map of the web site; job-creation data by county, region and state; information about the council's membership, work and findings; reports of the council's 2013 and 2014 interim work; and legislation and initiatives considered or approved by the council.

Mr. Lautman said that one of the 2015 council's tasks is to determine the future maintenance and administration of the dashboard, which is currently handled by the Community Economics Lab, a nonprofit organization. Mr. Lautman said that the council could consider the councils of governments or the Economic Development Commission or the Tourism Commission — both of which are chartered by the state to perform planning functions — or a combination of those entities to perform the work.

A member asked when the section of the dashboard that shows procured jobs would be updated. Charles Lehman, consultant to the council, responded that the EDD, the Bureau of Business and Economic Research (BBER) and the Workforce Solutions Department would provide those data, which would be updated every year. Mr. Howe added that the objective is for the dashboard to show the most current jobs data available.

A member asked whether the council would inquire into the number of jobs that result from tax deductions and other state incentives aimed at employers. Mr. Lautman said that it is difficult to obtain reliable return-on-investment data on job creation and work force but that the inquiry could be made a part of the council's work.

Asked to summarize his professional background, Mr. Lautman said that he has practiced economic development in New Mexico for over 35 years, most recently as a consultant.

Previously Approved Council Initiatives

Referring to the "2014-2015 Legislative Recommendations" in the presentation materials, Mr. Lehman provided an overview of the initiatives previously supported by the council. He noted that several appropriation-based initiatives were enacted, though in some cases the council had recommended more money than had been appropriated. He suggested that the council again consider endorsing appropriation initiatives for the benefit of local economic development cooperative programs; solo-work programs; science, technology, engineering and mathematics and middle school physics programs; forest restoration programs; and a work force gap analysis.

He added that new initiatives could be developed during the interim.

A member noted that the council had previously examined and could continue to examine broadband access. Another member requested that the council hear a report on the efforts of the several state agencies that are collaborating to expand broadband in the state.

Responding to a member's question, Mr. Lautman explained that the forest restoration program uses federal funding for thinning forests and identifying markets for the resulting biomass and that the EDD has been involved in forest restoration programs for several years.

The council unanimously agreed to continue work on legislative initiatives that were not signed into law during the 2014 or 2015 session.

Proposed Work Plan and Meeting Schedule

Ms. Ryan presented the proposed council work plan and meeting schedule. She noted that the plan was developed in consultation with the council's co-chairs and contract staff.

The council's primary area of focus during the 2015 interim would be to address impediments to job creation. The council's work would include exploration of: economic development organizations; the state's visitor-driven economy; innovation-to-enterprise entrepreneurship; federally derived jobs; film and digital media jobs; agriculture and energy jobs; local economic resiliency; and attracting retirees to relocate to the state. With respect to each of those items, the council would work to address impediments and potential solutions to impediments while examining: marketing and sales apparatus capacity; real estate and infrastructure capacities and access to capital; work force, education and housing capacity; and leadership, organization and business climate.

Ms. Ryan said that the council would also receive testimony on economic-development and job-creation programs, data collection and the online dashboard and other topics. Lastly, it would determine how to institutionalize the council's job-creation process and consider for endorsement any legislation developed during the interim.

Ms. Ryan informed the council of the proposed meeting dates and locations.

Mr. Lautman said that when developing legislative proposals, the council would focus first on appropriation-based initiatives, if any, so that those requests could be timely considered during the budget development process. He said that outside of council meetings, the contract team would work with the two southern economic development districts to obtain job-creation data and have the other districts validate and refine their previously reported data.

Referring to the presentation materials, Mr. Lautman said that the council's work would be organized by 10 program "theaters". He defined a theater as a discrete area of economic-base job creation by similar organizations that use the same definitions and methods of calculating

returns on investment. The contract team proposed to hold statewide meetings at which each theater's stakeholders would deliberate and report on such topics as job-procuring agents, economic sectors and significant gaps in job-creation potential.

Mr. Lautman noted that retirement, an economic sector previously excluded from the council's considerations, was added to the list of program theaters. He said that retirees who move into New Mexico with pensions paid by out-of-state entities contribute to economic-base job creation in the state. Mr. Lautman informed the council that the findings of the statewide theater-focused meetings would be reported to the council.

A member requested that the council hear presentations from professionals with expertise in the factor-of-production gaps previously identified by the council. Mr. Lautman noted that presentations on work force, infrastructure, real estate and access to capital would be helpful. He added that, in part, the council and the contract team would gather information to develop proposals that address factor-of-production gaps. He emphasized the importance of identifying the job-creation potential associated with each proposal. Mr. Lehman suggested that information from a work-force-gap study being conducted could be used to identify worker or job-skill shortages in each theater.

A member asked about strategies used to recruit retirement facility developments to the state. Mr. Lautman responded that no particular strategy has been articulated but that the feedback from the statewide meetings could help to shape one.

A member questioned the population estimates in the data matrix. Mr. Lautman responded that local-level session participants arrived at those estimates, which would be reviewed by analysts and could be adjusted by the local participants.

Asked how the list of employment sectors was developed, Mr. Lautman said that he based them on the North American Industry Classification System. He commented that jobs data like those collected by BBER generally lack economic-base indicators and that economic-development professionals focus on the creation of economic-base jobs because service-sector jobs derive from them.

Another member asked whether the council would take into consideration the potential of new jobs to be filled by New Mexico residents and argued that residents should have opportunities to find work and stay in the state. Mr. Lautman noted the importance of expert input on work force gaps, particularly after the job-creation potential by job type is known. Another member stressed the importance of considering job duration and recommended that the council examine turnover in employment sectors.

A member suggested that the council consider endorsing a "ban the box" bill, which would disallow an employer from asking about felony convictions on an initial employment application and which was introduced during the 2015 session.

Mr. Lautman offered to separately brief new members on the council's previous work.

With no objection, the council adopted the work plan.

Adjournment

There being no further business before the council, the first meeting of the council for the 2015 interim adjourned at 1:21 p.m.